



Douglas County Kansas

Appraisal Newsletter

Steven Miles, RMA
County Appraiser

Volume 15, Issue 4

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RECAP OF 2010 SALE INFORMATION

As of December 27 the appraiser's office worked 1,337 sales questionnaires compared to 1,762 in 2009; 1,799 in 2008; 2,412 in 2007; 2,475 in 2006; 3,214 in 2004; 3,210 in 2003; 2,869 in 2002; 2,957 in 2001 and 2,835 in 2000. For the month of December, 29 sales questionnaires were worked involving 31 parcels.

Included in the 2010 sale numbers were 742 valid residential sales. This compares to 708 in 2009; 1,166 in 2008, 1,519 in 2007, 1,542 in 2006, 1,739 in 2005, 1,721 in 2004, 1,690 in 2003, 1,535 in 2002, 1,536 in 2001, 1,218 in 2000; 1,404 in 1999 and 1,706 in 1998. The average sale price for these sales was \$196,430 compared to \$191,500 for 2009, \$191,200 in 2008, \$186,900 in 2007, \$184,700 in 2006, \$176,100 in 2005, \$165,200 in 2004 and 2003, \$148,800 in 2002, \$137,600 in 2001, \$132,500 in 2000; \$125,903 in 1999; \$116,963 in 1998 and \$110,762 in 1997. ***This represents an increase of 2.5 percent increase over 2009.***

The average sales ratio for residential property in 2010 is 100 percent. This compares to 99 percent in 2009, 102 in 2008, 97 percent in 2007, 2006, 2005, 2004, 2003, 2002 and 2001; 94 percent in 2000; 95 percent in 1999; 96 percent in 1998 and 97 percent in 1997.

In a year that saw large peaks and valleys in the market, the end of the year saw an upswing in the average sale price of residential homes over previous years. The average selling price for residential property since July 1, 2010 is \$198,700 which represents a 13.8 percent increase over the 2009 average sales price of \$174,500. The sale ratio since July 1 is 100 percent. The average selling price for the same time frame in 2008 was \$185,700, in 2007 it was \$186,600, in 2006 it was \$184,950, \$183,400 in 2005 and \$168,200 in 2004.

On the commercial side a total of five (5) sales have been recorded as valid open market transactions in 2010. The average sales price ratio for these commercial sales is 93.7 percent. This compares to 90 percent in 2009, 97 percent in 2008, 89 percent in 2007, 88 percent in 2006, 87 percent in 2005, 94 percent in 2004, 96 percent in 2003, and 2002.

2011 FINAL REVIEW CONTINUES

The 2011 final review process continues on schedule. As of December 30 a total of 21,110 parcels had been reviewed and valued by the appraisal staff. This represents 53 percent of the total parcel count of approximately 39,700. To date 56 percent or 20,517 residential/agricultural/vacant/exempt parcels have been completed while 26 percent or 593 of the commercial parcels are done.

Based on the 53 percent of the residential parcels completed at this time, approximately 60 percent of the residential values are projected to remain unchanged or decrease between one (1) to three (3) percent on the average. The median decrease for the residential parcels completed to date is -1.0 percent.

For the commercial properties completed to date, approximately 75 percent will stay the same or see a decrease in value. The remaining 25 percent include those properties having new construction, changing classification or recent sales.

Of course, these are preliminary figures that may change as we complete final review and quality control checks.

The final review process is scheduled to be completed by February 1, 2010. Change of value notices will be mailed to property owners on Monday, February 28. Property owners will have until Monday, March 30, 2011 to schedule an informal hearing with the appraiser's office.

BUILDING PERMIT ACTIVITY

Through the end of November 2010 a total of 2,060 building permits had been issued by the City of Lawrence compared to 1,826 in 2009, 2,032 for 2008 and 2,265 in 2007. Of that number 137 were for new single family homes (100 in 2009, 97 in 2008, 150 in 2007), 10 for duplex properties and five (5) apartment buildings involving 96 units. A total of 10 other building permits for commercial properties had been issued.

The large number of permits for remodels, mechanical/electrical/plumbing changes seem to indicate that property owners are spending money on their properties in order to stay in them longer or prepare for sale. Permits for businesses held steady from year to year.

Another sign that the housing market is preparing for an upswing, we have noted that some subdivisions have completed or installed new streets that were previously dormant, thus opening additional available building lots.

PERSONAL PROPERTY RENDITIONS

The 2011 personal property renditions were mailed to Douglas County personal property owners on Friday, December 31. Any property owner who had a personal property rendition in 2010 was mailed a rendition this year. Approximately 10,790 renditions were mailed this year which included 4,275 commercial renditions and 6,515 regular renditions. The yellow renditions are for commercial property owners while the white renditions are for individuals who have personal property. Sometime during February the office will mail out the 2011 oil and gas renditions to approximately 125 working interest owners.

Any Douglas County resident who owns tangible personal property is required to file a list annually of the property with the county appraiser's office. The form must be signed by the owner of the property or by the person who is filling out the return on behalf of the owner. The filing deadline for personal property renditions is Tuesday, March 15, 2011. Late filings are subject to a penalty. Penalties for late filings are five (5) percent per month up to a maximum of 25 percent. The penalty for failing to file a personal property rendition is 50 percent.

2010 PUP HEARINGS SCHEDULED

As of December 30 a total of 362 real estate payment under protests had been filed with the appraiser's office compared to 348 in 2009, 473 in 2008, 222 in 2007, 166 in 2006, 82 in 2005, 141 in 2004, 158 in 2003, 128 in 2002, 199 in 2001, 139 in 2000, 98 in 1999 and 65 in 1998. To date five (5) hearings have been held, all of which have received an adjustment.

A total of six (6) personal property payments under protests were filed as of December 30 compared to six (6) in 2009, one (1) in 2008, three (3) in 2007, six (6) in 2006, one (1) in 2005, six (6) in 2004, 12 in 2003, five (5) in 2002, 14 in 2001, six (6) in 2000 and 13 in 1999. Two (2) appeals have been heard, one receiving no change and the other will be adjusted.

A taxpayer may challenge the valuation of their property after the change of value notice is mailed in March or by filing a payment under protest with the county treasurer at the time the tax is actually paid, in whole or part, not later than December 20. An exception is if the taxes are paid by an escrow or tax agent prior to December 20, the payment under protest may be filed no later than January 31 of the following year. A taxpayer is allowed to appeal the value only once for a tax year. In an appeal, it must be remembered that circumstances and condition issues arising after the appraisal date of January 1 are difficult to consider for that tax year.

FORECLOSURE SALES

The number of Sheriff's Sales scheduled in the county through the end of November 2010 stands at 323 compared to 285 for the same time in 2009. This represents an increase of approximately 13.3 percent. However, a large number of the scheduled sales are canceled before completion indicating that other resolutions have been worked out. The number of foreclosures actually completed by the end of November 2010 was 217 compared to 122 completed at the same time in 2009.

The total number of foreclosure sales through 2010 makes up only about two (2) percent of all sales in the county and accounts for only 0.8 percent of the total parcel count. This does not represent a large enough portion of the market to base the general population's valuation on. In many of the foreclosure sales reviewed by the appraiser's office, there were significant damage and condition issues which had a detrimental effect on the final sales price. The sale may be indicative of that specific property but is not an indicator of the market as a whole.

OUT WITH OLD, IN WITH NEW

Kim burns retired from county service at the end of 2010. She has worked in the personal property section of the Appraiser's office for 31 years, the last 27 years as the Senior Personal Property Appraiser. We will miss Kim's vast reservoir of knowledge and experience and wish her the best of luck in her future endeavors.

Karla Grosdidier who has worked in the appraiser's personal property section the past 10 years will assume the duties that Kim previously performed. She has been working closely with Kim for some time now and also was our lead in the implementation of Manatron's personal property software. Congratulations Karla!

The Appraiser's office recently added Caralane "Cricket" Mercer to the personal property staff. Cricket has been a longtime member of the community and previously performed real estate appraisals in this area. She has been working with Kim and Karla during this busy season to be ready to step in as Kim steps out. We invite you to stop in and get acquainted with Cricket.





Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

Volume 15, Issue 5

February 1, 2011

2011 FINAL REVIEW COMPLETED

The initial phase of the final review process for estimating 2011 values should be completed by Friday, February 11. A total of 39,705 properties will have been reviewed and valued by county staff. This is only counting primary parcel class values whereas prior to 2010 the totals included parcels with multiple classes (i.e., residential and commercial class on a single parcel). In 2010, the staff reviewed 39,641 parcels, 40,151 in 2009, 39,830 in 2008, 38,967 in 2007, 38,109 in 2006, 37,557 in 2005, 35,911 in 2004, 35,322, in 2003, 34,637 in 2002, 33,768 in 2001, 32,939 in 2000 and 32,077 parcels in 1999. Following is a current breakdown of the parcels by primary property classification:

Type	Urban	Rural	Total
Residential	26,514	2,922	29,436
Farm with home site	268	1,387	1,655
Agricultural	864	2,240	3,104
Vacant lots	2,212	624	2,836
Commercial/Industrial	1,379	109	1,488
Exempt	841	290	1,131
Not for profit	10	0	10
Other	3	1	4
Utility	22	19	41
Totals	32,113	7,592	39,705

“CVNS” TO BE MAILED FEB. 28

Change of value notices will be mailed on Friday, February 28. The county will be using a similar notice as in previous years which will feature last year’s value and the new value. On the back of the notice will be the appeal form that property owners can use to appeal their value should they disagree with the value assigned by the appraiser’s office.

Values for residential properties in 2011 will show some decline. *Approximately 53% of the residential properties will see their value stay the same or decline in value for 2011.*

Following is a summary of value changes for residential parcels:

Value decline greater than -4.01%	898
-2.00% to 4% decline	2,004
-.01 to -1.99% decline	6,161

No change in value	6,575
+.01 to 1% increase	5,431
1.01 to 3% increase	4,739
3.01 to 5% increase	1,814
5.01% or greater increase	1,368

Commercial values are relatively flat for 2011. Approximately 75 % of the commercial properties increased or decreased one (1) percent or less. 15 percent will see an increase greater than one percent and 10% will decline in value more than one percent.

The deadline to request an informal hearing will be Wednesday, March 30 at 5 p.m. Informal hearings are set to begin the week of March 21. The annual market study analysis for 2011 will be published the week of February 7 and will be available for review in the appraiser’s office. This publication is required by state statute K.S.A. 79-1460a.

OVERALL VALUES ON POSITIVE SIDE

With final review 98% complete the overall value outlook is holding relatively steady. The current values show approximately a 1.33% increase over 2010 for those parcels completed. This includes those parcels that have had new construction on them in the form of new or completed improvements, primarily new structures. Looking at only those parcels that did not have a structure added in 2010, the increase is only 0.4%. A recent report from the Federal Housing Finance Agency also indicates that the purchase prices were showing an increase of .8% regionally from September to October which is about the same time as the county is developing the valuation models.

This percentage could change by the time the change of value notices are mailed as we complete the last values and then conduct quality control.

2010 BUILDING PERMIT NUMBERS

A total of 146 single family building permits were issued in the City of Lawrence compared to 110 in 2009, 102 in 2008, 166 in 2007 and 246 in 2006. An increase in the number of new home starts is an encouraging sign that the housing market is reaching a turnaround point.

Ten (10) permits were issued by Lawrence for new duplex or town home units. The number of multi-family permits issued in the City of Lawrence was 6 involving 220 living units. There were nine (9) commercial building permits issued in Lawrence last year. This is the same number issued in 2009.

PERSONAL PROPERTY RENDITIONS

The personal property staff has been busy in January working the 2011 personal property renditions. Approximately 10,790 renditions were mailed at the end of December. As of February 1, a total of 1,500 individual renditions, 400 commercial renditions and 500 large truck renditions had been returned to the appraiser’s office. This represents a little over 22 percent of the mailed renditions. Several accounts no longer have taxable assets due to the current exemption guidelines for personal property. These accounts have been canceled although they may have initially been sent a rendition form. During February the office will mail approximately 125 oil and gas renditions. The office has not yet received the 2011 per barrel prices for oil from the Division of Property Valuation, Department of Revenue.

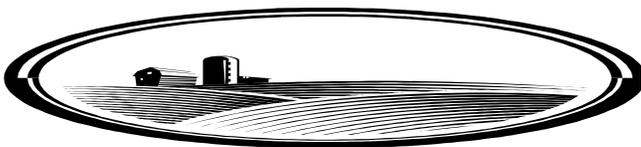
The filing deadline for the personal property renditions is Tuesday, March 15 at 5 p.m.. The filing deadline for oil and gas renditions is Friday, April 1. Late filings are subject to a penalty as prescribed in the Kansas statutes. Penalties for late filings are five (5) percent per month up to a maximum of 25 percent. The penalty for failing to file a personal property rendition is 50 percent.

NEW 2011 AG USE VALUES POSTED

The Kansas Constitution requires agricultural land to be valued based on its income or productivity potential. The new agricultural use values for 2010 have been received by the appraiser’s office. The values are developed by the Division of Property Valuation of the Department of Revenue and Kansas State University.

Of the three classes of agricultural use, dry land, tame grass and native grass, the grasses showed a general decline in value per acre while the dry land values per acre increased. The value of ag use properties in the county All three classes had an average decline from 2010 to 2011 was approximately 6.0 percent. Following is a breakdown of the agricultural (land only) parcels:

Decrease in value:	1,485
Increase in value:	1,211
Same value:	403



APPEALS DURING 2010

All taxpayers have the right to appeal the valuation of their property once per tax year as stated in K.S.A. 79-1448 and 79-2005. The first step in an appeal is the informal meeting with the appraiser. There were 1,180 parcels that had an appeal in 2010. Following is the breakdown of the resulting actions of those appeals:

No Change	505	43%
Adjusted	397	34%
Awaiting decision	263	22%
Canceled	15	1%

Of the appeals awaiting a decision, most will likely receive a no change result. If the decision is not satisfactory, an appeal can be continued to the Kansas Court of Tax Appeals. Approximately 13% or 151 of the earlier appeals were taken on. Here is a breakdown of those higher appeals:

No Change	80	53%
Adjusted	19	13%
Awaiting decision	41	27%
Dismissed	11	7%

Typically the overall valuation for the year will be reduced from the March 1 value notice by approximately 1% due to the appeal decisions. The reduction in 2010 amounted to approximately 1% after most of the hearing decisions.

WHY A VALUE CHANGES

A fact about some value increases. If a property owner has been successful in receiving a value adjustment within the previous two years, they may see a larger than expected value increase or a different percentage of value change than similar properties in their area. This results from the statute, K.S.A. 79-1460, that restricts the valuation to change from the value arrived at in an appeal in the year following a successful appeal unless:

1. The property is sold
2. There is substantial and compelling evidence that a significant change in the property has taken place to justify a higher value
3. The County market study indicates the value has declined

In many cases the comparable sales and other market indicators will point to a higher value than the previous appeal decision and thus a larger increase to bring the property to the proper level of equitable value.

It is important to remember that the County Appraiser’s Office does not create value. Buyers and sellers determine value by their transactions in the marketplace. The Appraiser’s Office has the legal responsibility to analyze those transactions and establish a value for each property for ad valorem purposes based upon what is indicated by the market.



Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

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CHANGE OF VALUE NOTICES

The 2011 change of value notices were mailed to Douglas County real property owners on Monday, February 28. Property owners wanting to appeal their value have until Wednesday, March 30 at 5 p.m. to request an informal hearing with the appraiser's office. Those wanting to appeal will need to fill out the appeal request form on the back of the change of value notice. Informal hearings will begin the week of March 21. All of the hearings will be held in the basement of the county courthouse at 1100 Massachusetts once again. The number of informal hearings held in 2010 was 848 compared to 1,291 in 2009, 865 in 2008, 1,370 in 2007; 1,059 in 2006, 1,204 in 2005; 1,012 in 2004; 1,376 in 2003; 1,135 in 2002; 1,872 in 2001; 1,607 in 2000; 1,417 in 1999; 1,882 in 1998; 1,560 in 1997; 1,770 in 1996 and 3,400 in 1995.

OVERALL VALUATION SUMMARY

The 2011 preliminary assessed valuation for real estate shows a slight increase over the 2010 total. The total real estate assessed valuation for 2011 as of February 28 was \$1,029,019,175 compared to \$1,017,646,088 in 2010. **This represents an increase of \$11,373,087, approximately 1.1 percent.** The assessed value was \$1,009,314,695 in 2009, \$1,010,660,885 in 2008, \$987,945,225 in 2007 and \$943,941,290 in 2006. The assessed value in 2005 was \$880,538,982; \$810,348,940 in 2004; \$749,339,690 in 2003; \$693,011,825 in 2002; \$644,097,660 in 2001; \$585,509,265 in 2000; \$530,113,055 in 1999; \$499,009,715 in 1998; \$451,600,000 in 1997 and \$409,500,000 in 1996. Following is a breakdown of the property assessed values by class for 2011:

Property Class	2011 Asd Value	2010 Asd Value
Residential Urban	\$620,810,372	\$614,655,571
Residential Rural	\$82,295,790	\$80,811,315
Farmstead Rural	\$31,400,188	\$30,454,793
Farmstead Urban	\$787,355	\$787,670
Vacant Urban	\$14,932,789	\$14,562,255
Vacant Rural	\$3,560,502	\$3,641,760
Agricultural Rural	\$13,007,191	\$13,076,877

Agricultural Urban	\$238,306	\$237,755
Commercial Urban	\$252,275,721	\$251,732,796
Commercial Rural	\$9,075,189	\$7,053,691
Not for Profit	\$607,500	\$600,870
Other Rural	\$13,224	\$15,550
Other Urban	\$15,048	\$15,185
Total	\$1,029,019,175	\$1,017,646,088

Based on past experience the county can expect to see the valuation drop approximately one percent during the informal and formal hearing processes. The informal hearings are those held with staff members from the county appraiser's office. The formal hearing process includes the hearings that are filed with the small claims and regular division of the State Court of Tax Appeals in Topeka.

PERSONAL PROPERTY REPORTING

The deadline to file 2011 personal property renditions is Tuesday, March 15 at 5 p.m. Oil and gas renditions must be filed by Friday, April 1 at 5 p.m. To date approximately 3,259 or 30 percent of the 10,790 renditions mailed by the county have been returned to the appraiser's office. Late filings are subject to a penalty. Penalties for late filings are five (5) percent per month up to a maximum of 25 percent. The penalty for failing to file a personal property rendition is 50 percent.

2011 SALE INFORMATION REPORTED

The appraiser's office has already begun tracking the new 2011 sales in the county. The number of sales validation questionnaires worked by the sales department since January 1 is 169 which involved 165 parcels. This number is up from 2010 when 97 sale questionnaires involving 99 parcels were worked during the same time frame.

The average sale price for the residential sales in 2011 to date is \$212,340 compared to \$170,200 in 2010 **which is an increase of nearly 25percent.** In 2009 the average sale price was \$174,400 compared to \$191,200 in 2008, \$188,600 in 2007, \$184,620 in 2006; \$176,900 in 2005; \$165,200 in 2004 and 2003; \$148,800 in 2002; \$139,160 in 2001 and \$132,500

in 2000. The average selling price for 1999 was \$125,900. The current average sales ratio for residential property is 97 percent. There has been one valid commercial sale and 19 valid residential sales to date in 2011.

2011 RESIDENTIAL VALUES

The appraiser’s office recently developed a report showing the breakdown of residential house values in the county by value range. Following is a breakdown of the residential values in dollar increments along with the percent that number represents of the total. The final column is the percent of the properties that were in those value breakdowns in 2010.

Value \$ range	Number	2011 % of total	2010 % of total
0 to 39,999	319	1.0	1.0
40,000 to 59,999	398	1.3	1.2
60,000 to 79,999	820	2.6	2.7
80,000 to 99,999	1,748	5.6	5.2
100,000 to 119,999	2,842	9.1	8.7
120,000 to 149,999	6,652	21.4	20.4
150,000 to 199,999	8,554	27.5	28.3
200,000 to 299,999	6,410	20.6	21.0
300,000 to 399,999	1,986	6.4	6.8
400,000 to 499,999	644	2.1	2.3
500,000 to 699,999	377	1.2	1.2
700,000 to 999,999	174	0.6	0.6
1,000,000 and up	201	0.6	0.6

SINGLE FAMILY VS MULTI-FAMILY

According to numbers compiled by members of the appraiser’s office approximately **seven (7) percent** of the residential properties in the county are multi-family units. A multi-family unit is one that has more than one living unit. Following is a breakdown of the residential properties:

Location	Single Family	Multi-Family
Baldwin	1,204	101
Eudora	1,717	129
Lecompton	187	5
Lawrence	20,813	1,967
Rural	4,774	14
Total	28,695	2,216

MEDIAN RESIDENTIAL VALUES

A study recently conducted by the county appraiser’s office indicates that the median market value for all residential property, four living units or less, in the county for the 2011 valuation year is approximately \$164,100 compared to 162,000 in 2010, \$162,000 in 2009, \$164,900 in 2008 and 2007, \$160,000 in 2006, \$150,000 in 2005, \$145,000 in 2004, \$133,000 in 2003, \$121,000 in 2002, \$117,500 in 2001 and \$105,720 in 2000. The median market value for all residential parcels in the City of Lawrence in 2011 is \$163,200 compared to \$163,700 in 2010, \$162,000 in 2009, \$164,900 in 2008 and

2007, \$160,000 in 2006, \$151,000 in 2005, \$145,200 in 2004, \$133,600 in 2003, \$127,000 in 2002 and \$119,740 in 2001. The median market values for the cities in Douglas County are listed below:

Cities	Median market value	2010 Median
Baldwin	\$147,300	\$146,450
Eudora	\$145,370	\$146,760
Lecompton	\$104,910	\$101,600
Lawrence	\$163,200	\$163,705
Rural	\$195,780	\$191,645

The median market value for residential properties in the following school districts are:

School district	Median value	2010 Median
U.S.D 497 (Lawrence)	\$165,100	\$165,400
U.S.D. 491 (Eudora)	\$152,800	\$154,045
U.S.D. 348 (Baldwin)	\$164,600	\$163,590
U.S.D. 343 (Lecompton)	\$167,300	\$164,000

The study also looked at the median market value for residential property by style of house. The most common house style is a ranch style (8,914) followed by a conventional style (6,699), townhouses (4,112) and old style (3,270). Following are the results of the study:

House style	Count	Median value
Bi-level	1,268	\$168,950
Bungalow	930	128,390
Colonial	12	394,870
Condominium	774	84,800
Conventional	6,699	233,600
Converted House	398	166,700
Earth Contact	173	181,870
Earth Shelter	2	171,150
Modern	134	254,790
Modular	349	143,640
Old Style	3,270	125,115
Other	261	150,510
Ranch	8,914	153,400
Ranchette	699	98,400
Split Level	1,219	184,100
Townhouse	4,112	143,000
Traditional	62	305,500
Victorian	20	398,395
Walkout basement	1,714	215,750

BUILDING PERMITS

During the month of January no building permits for new construction were issued in the City of Lawrence. The county zoning office issued one (1) permit for a new house. In the City of Eudora and Baldwin City no single family or commercial new construction permits were issued during January.



Appraisal Newsletter

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Steven Miles, RMA
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2010 PRELIMINARY SALE RATIO NUMBERS RELEASED BY THE STATE

The Division of Property Valuation, Department of Revenue, in March released the 2010 preliminary sales ratio study. The final report will be released in July or August of this year. The sales ratio study is an annual analysis of the relationship between appraised values established by the appraiser's office and the property's sale price.

According to the report, Douglas County's median ratio for residential property in 2010 was 101.2 percent with a COD of 6.2 percent. A total of 295 sales were used in the study. The median ratio in 2009 was 100.7 and the COD was 4.5. The 2008 median ratio was 100.3 with a COD of 4.3. In 2007 the median ratio was 100 percent with a COD of 4.8 percent. The 2006 median ratio was 99 percent with a COD of 5.4. The 2005 median ratio was 96 with a COD of 5.6. The 2004 median ratio was 98 with a COD of 5.6

The median ratio is the middle ratio after all the ratios are arrayed in order from the lowest to the highest. The statistic measures the appraisal level in the county. The appraisal level is an indication of how close the county's values are to the fair market value or the 100 percent level (the sale price). State statutes require that the county's appraisal level be between 90 and 110.

The COD (coefficient of dispersion) measures the amount of variation in the county valuations around the appraisal level (median). The smaller the COD the less variation in the ratios about the median ratio, which translates into better equity in the county values. State statutes require that the county's COD be less than 20 for all classes of property.

The PRD (price-related differential) for residential property in 2010 was 1.01. It was 1.00 in 2009, 2008, 2007, 2006, 2005 and 2004. The PRD measures the vertical equity or the relationship of low-value and high-value properties. A PRD of more than 1.00 suggests that high-value properties are under-appraised compared to low-value properties and a PRD of less than 1.00 suggests that high-value properties are over-appraised compared to low-value properties.

The 2010 median ratio for commercial property was 84.2 compared to 84.6 in 2009. The COD in 2010 was 15.2 percent compared to 16.2 percent in 2009. A total of 12 sales were used in the commercial study. The PRD for commercial property in 2010 was 1.02 compared to 0.97 in 2009. The median ratio for commercial properties in 2008 was 98.6 with a COD of 14. In 2007 the commercial median ratio was 88.2 and a COD of 19.1. The 2006 commercial median ratio was 96 with a COD of 19.8. The 2005 commercial median ratio was 96 with a COD of 13.3. The 2004 commercial median ratio was 94 with a COD of 16.4.

The 2010 median ratio for vacant lots in the county was 102.6 compared to 103.9 in 2009. The COD in 2010 is 13.5 percent compared to a COD of 13.9 percent in 2009.

REAL ESTATE ASSESSED VALUES REPORTED BY PROPERTY CLASS

Following is a breakdown comparing the real estate assessed values by property class between the tax years 1996 to 2011 (the numbers do not include other and not-for-profit totals which are reflected in total assessed value). The 2011 valuation numbers are not final and are through March 31st.

<i>Year</i>	<i>Agricultural</i>	<i>Residential/Urban</i>
1996	\$10,596,900	\$231,352,975
1997	\$10,719,790	\$252,057,725
1998	\$11,146,095	\$275,318,245
1999	\$11,535,300	\$299,410,640
2000	\$12,192,340	\$333,450,750
2001	\$13,524,925	\$370,817,350
2002	\$14,126,940	\$401,591,680
2003	\$14,156,440	\$442,299,450
2004	\$14,860,160	\$481,018,095
2005	\$15,056,080	\$527,733,290
2006	\$15,180,280	\$568,540,745
2007	\$15,029,905	\$600,613,010
2008	\$14,403,450	\$613,489,025
2009	\$13,530,450	\$608,446,270
2010	\$13,290,985	\$614,489,755
2011	\$13,235,154	\$620,924,050

Year	Residential/Rural	Comm/Industrial
1996	\$31,343,010	\$111,009,990
1997	\$34,492,670	\$122,437,105
1998	\$38,057,545	\$135,522,555
1999	\$41,632,525	\$145,335,810
2000	\$46,115,445	\$159,721,245
2001	\$51,244,115	\$176,995,905
2002	\$55,453,135	\$187,306,305
2003	\$60,668,060	\$201,927,700
2004	\$65,274,960	\$211,252,005
2005	\$70,469,515	\$224,868,165
2006	\$75,359,220	\$234,017,145
2007	\$80,162,420	\$244,276,195
2008	\$80,808,080	\$246,594,090
2009	\$81,011,800	\$259,937,670
2010	\$80,804,222	\$258,802,030
2011	\$82,264,728	\$259,303,110

Year	Farmstead	Vacant
1996	\$11,942,905	\$10,645,960
1997	\$12,966,425	\$11,528,530
1998	\$13,865,880	\$12,359,540
1999	\$14,930,325	\$13,393,255
2000	\$16,461,220	\$13,908,408
2001	\$17,998,840	\$17,061,705
2002	\$20,075,575	\$17,849,730
2003	\$21,754,390	\$18,003,635
2004	\$23,260,940	\$18,147,340
2005	\$25,175,830	\$21,901,180
2006	\$27,181,955	\$22,181,710
2007	\$28,720,085	\$22,139,575
2008	\$29,411,390	\$20,609,180
2009	\$30,525,325	\$19,892,940
2010	\$31,253,801	\$18,202,600
2011	\$32,218,232	\$18,421,834

CITY/TOWNSHIP VALUATION DATA

Following is the current breakdown of the real estate assessed valuation by cities and townships for 2011 compared to the 2010 values at this same time a year ago. The final numbers will not be available until after the values are certified to the County Clerk in June.

Location	2011	2010	% Diff
Cities:			
Baldwin	\$ 29,781,510	\$ 29,708,453	+ 0.2
Eudora	\$ 38,716,175	\$ 38,263,804	+ 1.2
Lawrence	\$818,377,528	\$811,784,267	+ 0.8
Lecompton	\$ 2,687,363	\$ 2,687,547	- 0.01
Townships:			
Clinton	\$ 7,827,262	\$ 7,602,395	+ 2.9
Eudora	\$14,457,234	\$13,921,428	+ 3.8
Grant	\$ 7,477,901	\$ 7,424,263	+ 0.7
Kanwaka	\$18,816,229	\$18,646,529	+ 0.9
Lecompton	\$10,363,197	\$10,233,247	+ 1.3
Marion	\$ 9,705,822	\$ 9,498,122	+ 2.2

Location	2011	2010	% Diff
Palmyra	\$27,852,609	\$27,379,156	+ 1.7
Wakarusa	\$25,240,453	\$24,857,741	+ 1.5
Willow Springs	\$15,591,082	\$15,468,046	+ 0.8
Total:	\$1,026,894,365	\$1,017,474,998	+ 0.9

New construction county wide accounts for \$11,751,170 of the 2011 total assessed amount which is 1.1 percent of the total. New construction was down compared to the previous year as result of the completion of some large development projects in 2009. This number compares to \$20,484,667 in 2010, \$10,501,159 in 2009, \$10,659,460 in 2008 and \$18,040,270 in 2007. More specifically, in Baldwin City new construction amounted to 1.3 percent of the total new construction value. In Eudora new construction amounted to 1.5 percent of the total new construction value. In the City of Lawrence, new construction totaled 84.7 percent of the total new construction value.

INFORMAL HEARINGS UNDERWAY

As of Wednesday, March 31, 940 hearings were scheduled compared to 569 for the same time in 2010. The total number of hearings in 2009 were 951, in 2008 were 864, in 2007 there were 1,370, 2006 had 1,196 and 1,180 in 2005. The total hearings in 2004 were 1,012 with 1,376 hearings in 2003; 1,135 in 2002; 1,872 in 2001; 1,607 in 2000; 1,417 in 1999 and 1,874 in 1998.

Informal hearings began on Monday, March 21. 122 informal hearings have been closed as of Thursday, March 31. Thirty six (36) cases received no change in value. A total of 85 cases have received some sort of adjustment. One appeal has been canceled. Informal meetings will continue as scheduled through May 13 and all decisions should be out by May 20.

PERSONAL PROPERTY RENDITIONS

As of April 11, approximately 1,770 commercial renditions had been returned to the appraiser's office. Staff estimates that approximately 510 commercial renditions are still outstanding. A total of 3,530 regular renditions have been returned with approximately 2,560 yet to be returned. The filing deadline was April 1. Approximately 70 businesses received a filing extension until April 8. Forty seven (47) oil and gas renditions have been filed with approximately five (5) yet to be filed. The filing deadline for oil and gas renditions was April 1.

The personal property valuation notices will be mailed on Friday, April 29. Approximately 5,300 notices will be mailed. Property owners have until Monday, May 16 at 5 p.m. to request an informal hearing with the appraiser's office, personal property section.





Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

Volume 15, Issue 8

May 1, 2011

PERSONAL PROPERTY CVNS MAILED

The 2011 personal property change of value notices were mailed by Friday, April 29. 5,553 notices were mailed to the owners with personal property in Douglas County. This number is approximately 270 fewer than last year.

Because the normal deadline falls on Sunday, property owners have until 5 p.m. on Monday, May 16th, to request an informal hearing with a member of the personal property section. A total of six (6) personal property informal hearings were held in 2010 and in 2009, compared to 9 in 2008, 10 in 2007 and 19 in 2006.

The estimated total assessed valuation of personal property this year is \$31,584,010. As businesses change hands and older equipment and assets are replaced with new equipment and assets that are now exempted by state law, the total assessed valuation continues to decline. Several sizeable accounts were lost this past year. The total assessed value for personal property in 2010 was \$42,306,047. In 2009, the assessed value at this time was estimated at \$41,626,993 and \$47,516,093 in 2008. The assessed value in 2007 was \$56,419,507, \$69,344,085 in 2006 and \$69,619,337 in 2005.

As of April 28 there were approximately 2,953 personal property owners who have not filed their 2011 renditions compared to 2,738 in 2010, 2,620 in 2009, 2,878 in 2008 and 3,154 in 2007.

INFORMAL HEARINGS ENDING

The final day for informal real estate hearings will be Friday, May 13th. A total of 922 informal hearings have been scheduled which represents approximately 2.3 percent of the county's total parcel count.

The total number of hearings includes 116 commercial properties and 806 residential, agricultural and vacant properties. Of the 922 parcels, 210 or 22.7 percent are vacant lots. The 2011 hearing total is up 8.85 percent from the 2010

total of 847. Questions arise from the concerns about the current state of the economy and the media perception that the housing market is still to bottom out. This is not so much the case in Douglas County as seen in the article "2011 SALES" later in this newsletter.

Following is a breakdown of the 2011 hearings by property class:

Property Class	Hearing Total	% of Total
Agricultural	13	1.4%
Commercial	116	12.5%
Exempt	1	0.1%
Farmstead	30	3.3%
Residential	552*	59.9%
Vacant	210	22.8%
Total	922	100.0%

*includes commercial apartment complexes in this number

The table below indicates the number of hearings by city and rural areas in the county:

City	Hearing count	% of Total
Lawrence	612	66.4%
Eudora	106	11.5%
Baldwin	63	6.8%
Lecompton	1	.1%
Rural	140	15.2%
Total	922	100.0%

INFORMAL HEARING RESULTS

Through Friday, April 29th, a total of 574 informal hearing cases had been closed by members of the appraisal staff. Of the hearings, held 328 or 57 percent had received a change in value while 243 or 42 percent had received no change in value. Three (3) appeals had been canceled at the request of the taxpayer.

The assessed valuation as of April 29th stands at \$1,025,291,143 compared to \$1,028,983,861 the total from

February 26th of this year. So far, the assessed value has dropped less than one half (1/2) percent and may drop slightly more as appeals are completed or pursued to the state level hearings. The overall assessed value on real estate in 2010 was \$1,012,067,156; in 2009 it was \$1,009,314,695; the 2008 total of \$1,010,660,885; \$987,945,225 in 2007 and \$943,941,290 in 2006.

2011 SALES

To date in 2010 a total of 310 sales questionnaires involving 312 parcels have been worked by the appraiser's sales division. During the first four (4) months of 2010 the office worked 412 sales questionnaires involving 449 parcels. This represents a decrease in actual sales of approximately 25 percent.

To date in 2011 the sales department has worked 269 potentially valid residential sales. The average sale price for all residential sales was \$201,478 compared to \$176,800 in 2010 which is an increase of approximately 14 percent. In 2009 the average sale price was \$179,900, in 2008 the average was \$191,200, 2007 it was \$188,600, \$184,600 in 2006, \$176,900 in 2005, \$165,200 in 2004 and 2003, \$148,800 in 2002, \$139,160 in 2001 and \$132,500 in 2000. The current average sales ratio for valid residential sales is 100.6 percent compared to 101 in 2010, 103 in 2009 and 100 in 2008, 97 percent in 2007, 2006, 2005, 2004, 2003, 2002 and 2001, 94 percent in 2000 and 95 percent in 1999.

So far in 2011 the county has worked twenty one (21) new home sales. The average selling price on the new homes is \$299,323 compared to \$234,100 in 2010, \$270,300 in 2009, \$302,000 in 2008, \$313,100 in 2007, \$244,300 in 2006, \$222,400 in 2005, \$233,275 in 2004, \$190,800 in 2003, \$197,100 in 2002, \$187,820 in 2001, \$176,975 in 2000 and \$154,288 in 1999.

Last year at this time, the real estate market was just coming off the federal home buyer credit programs. It was noted that these federal stimulus programs seemed to be buoying the market somewhat. In fact, the average sale price continued to climb for the next few months after that reaching a high just under \$220,000 in August of 2010. The average sale price slipped from there to just under \$200,000 by December. The average sale price jumped back up in January of 2011 and has held near the \$200,000 range since. Factors that will skew a comparison from one year to the next are the differences in size, style, age and condition, and the location of the homes selling in 2010 and now in 2011.

On the commercial side, a total of twelve (12) sales have been recorded so far in 2011. Staff has been able to verify and list 3 of those as valid arms length transactions. The valuation on two of those matched closely to the sale price. The third property sold for approximately 15 % above the county valuation. The median sales price ratio for these commercial sales is 87.5 percent.

AG USE LETTERS MAILED IN MAY

Approximately 2,280 agricultural use letters will be mailed to county property owners during May. The mailers will be mailed to rural property owners with property under agricultural production lying east of the Kansas River and in ranges 20 and 21. This is one of the ways used to maintain and update the parcel data used in the valuation process. Field staff will begin reviewing and updating the data as the letters are returned to the office. In order to assure accuracy of the records for those parcels, it is imperative that owners review the aerial photo/maps included with the letter and return it to the appraiser's office whether there are changes needed or not.

BUILDING PERMIT INFORMATION

The City of Lawrence has issued 19 single family building permits through the first quarter of the year. Two (2) duplex permits, two (2) fourplex permits and one (1) commercial permit were also issued. The number of single family permits issued thus far is 57.8% fewer than in the same period of 2010 indicating a slower start to this year.

Through the first three (3) months two (2) single family residential building permits have been issued in the City of Eudora. No commercial building permits have been issued.



Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

Volume 15, Issue 9

June 1, 2011

PERSONAL PROPERTY HEARINGS

The deadline to request an informal hearing for 2011 personal property values was Monday, May 16. Thirty five (35) informal hearings have been scheduled. Results will be forthcoming. This compares to six (6) in 2010 and 2009, nine (9) in 2008, 10 in 2007, 19 in 2006, six (6) in 2005, 12 in 2004 and 2003, 11 in 2002, nine (9) in 2001, 12 in 2000, 21 in 1999 and seven (7) in 1998. A total of 5,553 valuation notices were mailed to personal property owners in 2011.

The preliminary 2011 assessed value for personal property is an estimated \$31,621,962 excluding penalties for late filings. This compares to \$41,300,061 in 2010 which represents a decline of about 23.4 percent. The total was \$47,911,736 in 2009, in 2008 it was \$55,523,775, in 2007 it was \$63,277,805, \$70,030,785 in 2006, \$70,808,370 in 2005, \$63,985,365 in 2004, \$69,103,080 in 2003, \$72,892,745 in 2002, \$74,629,970 in 2001, \$74,553,744 in 2000, \$70,452,807 in 1999, \$62,457,747 in 1998 and \$55,063,325 in 1997.

The office will still be picking up some failure to file renditions between now and the date that personal property values are certified to the County Clerk. The values must be certified by June 15.

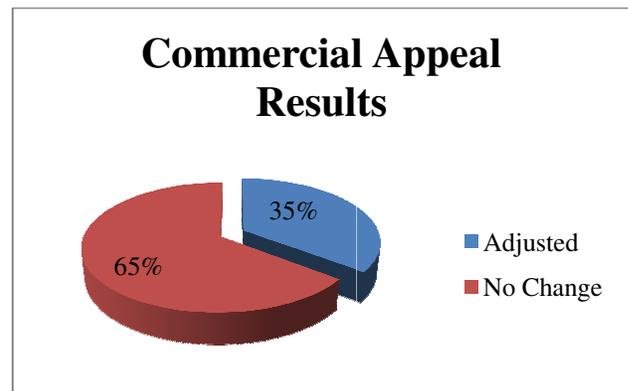
The 2011 penalty value to date is estimated at \$2,036,840 compared to \$561,920 in 2010, \$1,724,225 in 2009, \$1,775,135 in 2008, \$2,427,130 in 2007, \$1,897,520 in 2006, \$1,736,520 in 2005, \$1,492,265 in 2004, \$1,648,695 in 2003, \$1,613,585 in 2002, \$2,347,335 in 2001, \$1,713,555 in 2000 and \$1,540,645 in 1999. The penalty value is assessed to property owners who file their personal property renditions after the filing deadline or fail to file at all.

As of this newsletter there are approximately 2,810 personal property owners who filed a rendition in 2010 and failed to file this year. The personal property staff will be sending letters to these property owners in June to remind those who have not filed their renditions to do so. Of course the failure to file penalty will still apply.

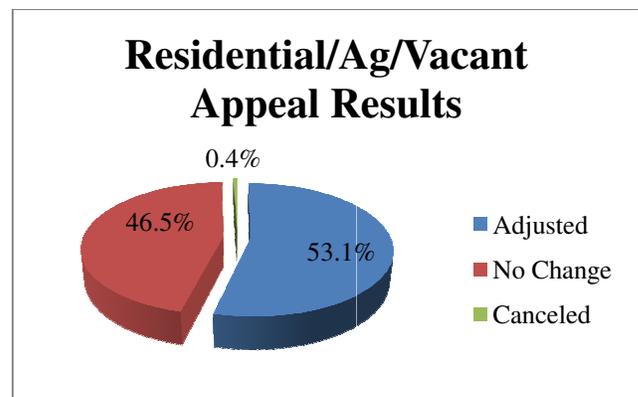
REAL ESTATE INFORMAL HEARINGS

The final day for informal real estate appeals was Friday, May 13. A total of 922 informal meetings were held which represents approximately 2.3 percent of the county's total parcel count.

In the commercial area from a total of 206 appeals, 73 appeals or 35 percent received a change in value, while 133 appeals or 65 percent received no change in value. Below is a graph depicting the commercial appeal results.



There were 716 appeals scheduled on the residential/agricultural/vacant side. 380 appeals or 53.1 percent received a change in value while 333 appeals or 46.5 percent received no change in value. 0.4 percent (3) of the appeals scheduled was canceled by the owners. Below is a graph depicting the residential/ag/vacant appeal results.



The assessed valuation on real estate as of May 30th stands at \$1,023,319,986 compared to \$1,028,983,861 as of February 26, the date the change of value notices were mailed. These totals do not include the state assessed valuations which have been trending downward for the past several years. The value declined about 0.5 percent or \$5,663,875, the result of the informal hearing process and State Court of Tax Appeals orders. The overall assessed value on real estate is up from the 2010 total of \$1,012,067,156. New construction accounted for nearly 1.2 percent or \$11,749,695 of the 2011 total assessed value. The total value will probably still change slightly prior to the certification of the 2011 values to the county clerk depending on COTA appeal decisions and value corrections. The values have to be certified by June 15. In 2009 the total assessed value was \$1,009,314,695. The 2008 total was \$1,010,660,885 and \$987,945,225 in 2007. The 2006 total was \$943,941,290. The 2005 total was \$880,538,982 compared to \$810,348,940 in 2004, \$749,339,690 in 2003 and \$693,011,825 in 2002. The 2001 total was \$644,097,060 and the 2000 total was \$585,509,265.

2011 SALES DATA REPORTED

Last month the sales department worked 145 sales validation questionnaires involving 155 parcels. To date in 2011 a total of 565 sales validation questionnaires involving 601 parcels have been worked by the appraiser's sales department.

The average sale price so far for all residential sales is \$214,705 compared to \$195,637 in 2010, \$188,100 in 2009, \$191,200 in 2008, \$188,600 in 2007, \$184,600 in 2006, \$176,900 in 2005, \$165,200 in 2004 and 2003, \$148,800 in 2002, \$139,160 in 2001 and \$132,500 in 2000. The current average sales ratio for residential property is 106.9 percent compared to 101.9 in 2009, 103 percent in 2009, 100 in 2008, 97 percent in 2007, 2006, 2005, 2004, 2003, 2002 and 2001, 94 percent in 2000 and 95 percent in 1999.

New single family home sales took a jump in the first part of the year as several homes started in 2010 were purchased. So far in 2011 there have been 31 new home sales in the county. The average selling price on the new homes is \$291,595 compared to \$212,059 in 2010, \$295,500 in 2009, \$302,000 in 2008, \$313,100 in 2007, \$244,300 in 2006, \$222,400 in 2005, \$233,275 in 2004, \$190,800 in 2003, \$197,100 in 2002, \$187,820 in 2001, \$176,975 in 2000 and \$154,288 in 1999.

MAP MAINTENANCE ACTIVITY

During the first five months of 2011 a total of 23 new plats and re-plats have been worked by the county GIS department. These added 46 new parcels to the county real estate roll. There have been 47 splits worked this year which created 59 parcels along with 13 combinations. The county's real estate parcel count now stands at 39,728.

EXEMPT PROPERTY SUMMARY

The total number of exempt real estate properties in Douglas County currently stands at 1,134 or approximately 2.8 percent of the total county parcels. The total amount of exempt market value is \$1,481,677,330; \$402,156,280 in land and \$1,079,521,050 for buildings. This value represents about 16.3 percent of the county's total real estate appraised market value.

SMALL CLAIMS HEARING

As of May 31, a total of 68 appeals have been filed on to the second level (Small Claims Division) in the appeal process or on to the regular Court of Tax Appeals. Of that number, 62 are residential properties and 3 are commercial properties. Decisions are forthcoming. There are still about 19 days left for appeals to be filed beyond the informal level meeting.

BUILDING PERMIT INFORMATION

The City of Lawrence has issued 33 new single family building permits during the first four months of 2011, down from 53 during the same timeframe the previous year. Four (4) new commercial or business permits have been issued, up from 2 the previous year. Overall, building permit activity in the City of Lawrence is up from a year ago.

In the City of Eudora through the first four months only two (2) single family building permits have been issued. Several permits for various types of remodel or repairs have also been issued.

APPRAISAL VALUE

There has been much said recently regarding the appraised value and an actual sale price. The county appraiser's office is charged with placing a value, called fair market value, on each parcel of real estate within the county with an effective date of appraisal as of January 1 of each year. However, an actual sale price may not be the true fair market value of said property. K.S.A 79-503a defines fair market value and also states that "*Sales in and of themselves shall not be the sole criteria of fair market value but shall be used in connection with cost, income and other factors ...*". Those factors are further outlined in that statute. There are also many circumstances that need to be weighed in the determination of values. Keep in mind that we are valuing a set of similar properties at the same time.

We are also charged with being fair and equitable for any given set of properties. This does not mean that all values are equal due to differences in the properties themselves and the wants, needs, tenacity and persuasiveness of all the players involved while arriving at the actual sale price. The county appraiser is concerned with what would be a reasonable value for each property within a given set of similar properties. To determine this, staff appraisers review the calculated values from the cost approach, sales comparison approach, and the income approach (if applicable). We also consider the statistically derived value and the sale price and adjusted sale price of each of the comparable sales. After consideration of all the available information, the most reasonable value is selected.



Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

Volume 15, Issue 10

July 1, 2011

VALUATION NUMBERS REPORTED

The appraiser's office certified both the 2011 real estate and personal property values to the County Clerk on Thursday, June 9. The county's total 2011 assessed value, including state assessed property, is \$1,140,680,987 compared to \$1,130,904,136 in 2010; \$1,123,296,008 in 2009; \$1,137,991,124 in 2008; \$1,133,222,409 in 2007; \$1,094,938,948 in 2006; \$1,037,696,180 in 2005; \$958,505,252 in 2004; \$896,601,365 in 2003; \$837,677,700 in 2002. This represents an increase of approximately 0.8 percent compared to 0.7 in 2010, 1.3 percent decrease in 2009; 0.8 percent in 2008; 3.5 percent in 2007; 5.3 percent in 2006 and 8 percent increase in 2005. The increase in 2004 and 2003 was 7 percent and 5.5 percent in 2002. Following is a breakdown of the 2011 numbers at certification compared to the same time frame in 2010:

Category	2011 value	2010 value	%Diff.
Real Estate	\$1,020,540,485	\$1,014,686,235	+0.58%
Personal Property	\$ 37,802,485	\$ 41,914,247	-09.8%
State assessed	<u>\$ 82,338,017</u>	<u>\$ 74,303,654</u>	<u>+10.8%</u>
Total	\$1,140,680,987	\$1,130,904,136	+0.86%

The total real estate value is shown without the portion that is rebated through the TIF (Tax Increment Financing) projects. There are several appeals still awaiting hearings or decisions at the Kansas Court of Tax Appeals so the real estate value could change slightly by November.

The personal property numbers will continue to increase as the appraiser's office continues to work the "failure to file" renditions. These are county property owners who filed a personal property return in 2010 but have not filed one in 2011.

The state assessed valuation has once again surprised us with an increase in overall value. This may be attributed to the expansions of some of the major utilities in the county.

2010 SALES RATIO STUDY RESULTS

The 2010 official real estate appraisal ratio study was released during June by the Division of Property Valuation, Department

of Revenue in Topeka. Again this year Douglas County is in compliance overall. A sales ratio compares the county's appraised value on property to its actual sale price. The sales ratio is calculated by dividing the appraised value by the sale price. The goal is a ratio of 100 percent. To be in compliance with the state guidelines a county's median sales ratio for the total market has to fall between 90 and 110. The median sales ratio is the middle ratio after all the ratios are arrayed in order from the lowest to the highest. The median measures the appraisal level in the county.

Another measure of compliance is the coefficient of dispersion (COD). The COD measures the amount of variation in the county's valuations or appraisal uniformity. To be in compliance with the state guidelines the COD should be below 20 percent.

The median ratio for the total market, all classes of property, was 101.1 percent with a COD of 7.2. This compares to an overall ratio in 2009 of 100.6 with a COD of 5.4. The ratio was 100 in 2008; 99.1 in 2007; 97.2 in 2006; 94.7 in 2005; 96.0 in 2004; 95.8 in 2003; 96.4 in 2002.

Douglas County's 2010 median sales ratio for residential property was 101.2 percent with a COD of 6.2. A total of 295 valid residential sales were used in the study. The median ratio in 2009 was 100.7 with a COD of 4.5. For 2008, it was 100.3 and the COD was 4.3. In 2007 the median sales ratio was 100 with a COD of 4.8 compared to the 2006 median sales ratio of 99.0 with a COD of 5.4. The median ratio was 96.1 with a COD of 5.6 in 2005. In 2004 the median ratio was 97.7 with a COD of 5.5. The 2003 median sale ratio was 96.8 with a COD of 5.6 and in 2002 the median sale ratio was 97 percent with a COD of 4.9.

The 2010 sales ratio in Douglas County for commercial property was 84.2 percent with a COD of 15.2. A total of 12 valid commercial sales were used in the study. Some sales of commercial properties greatly exceeded the county valuations. The median ratio in 2009 was 84.6 percent with a COD of 16.2. In 2008, the median ratio was 98.6 with a COD of 14. For 2007 it was 88, COD of 19.1. In 2006 the median ratio was 94.8, COD of 18.4; in 2005 it was 95.8, COD of 13.3. In 2004 it was 94.1 with a COD of 16.4. The 2003 ratio was 95.2

with a COD of 13.1. In 2002 the commercial sales ratio was 96.2 with a COD of 9.1.

The 2010 sales ratio on vacant residential land in the county was 102.6 with a COD of 13.5.

2011 SALES INFORMATION UPDATED

During June a total of 161 sales questionnaires involving 165 parcels were worked by the appraiser's office. This compares to 291 questionnaires involving 298 parcels in June of 2010. For 2011, through the end of June the office has worked 650 questionnaires involving 688 parcels compared to 989 questionnaires involving 1,073 parcels in 2010. The numbers of sales to this point in 2011 are down approximately 34 percent compared to the same time in 2010.

During the first six (6) months of 2011 the office has worked 650 existing residential house sales. The average sale price for the existing residential house sales is \$204,560 compared to \$176,601 in 2010; compared to \$185,001 in 2009; \$197,300 in 2008; \$186,900 in 2007; \$184,600 in 2006; \$176,900 in 2005; \$165,700 in 2004; \$165,600 in 2003; \$148,800 in 2002. This represents an increase of approximately 15.8 percent. Of course, the average can be affected by the type and range of sale prices of the homes selling. There are more homes sold in 2011 in the higher price range than the previous year.

To date the staff has worked 35 new home sales. The average sales price of the new homes is \$279,498 compared to 25 new homes averaging \$225,362 in 2010; \$307,958 in 2009; \$292,200 in 2008; \$313,100 in 2007; \$244,300 in 2006; \$222,400 in 2005; \$233,275 in 2004; \$190,800 in 2003; \$197,100 in 2002.

On the commercial side there have been 18 sales and the average preliminary sales ratio is 95 percent.

The current trends indicate that values may be trending downward. The appraiser's office is reviewing the sales as we prepare for the future years valuation. At this time I am not ready to make any predictions.

PERSONAL PROPERTY ACTIVITY

The personal property staff is continuing to work on this year's failure to file renditions. A total of 2,503 renditions were not filed by the filing deadline compared to 2,160 in 2010; 2,500 in 2009; 2,229 in 2008; 2,755 in 2007; 2,391 in 2006; 2,590 in 2005; 2,250 in 2004 and 2,300 in 2003. The staff prepares a rendition based off last year's information and mails it to the property owner for their review. To date a total of 2,350 failure to file notices have been mailed.

The penalty value for late filing of personal property renditions in 2011 now stands at \$1,949,308 compared to \$1,829,299 in 2010; \$1,997,140 in 2009; \$2,018,575 in 2008; \$2,040,915 in 2007; \$2,193,665 in 2006; \$2,213,555 in 2005; \$1,859,110 in

2004; \$2,239,025 in 2003; \$1,525,070 in 2002; \$2,347,335 in 2001 and \$1,713,555 in 2000.

A total of 34 personal property informal hearings were held in June. As a result of the hearings the 2011 personal property assessed value was reduced \$54,072 since the value notices were mailed.

COUNTY BUILDING PERMITS

Through May, the City of Lawrence's single family building permits in 2011 dropped off compared to the same time in 2010. As of the end of May a total of 48 single family building permits have been issued compared to 63 through the first 5 months of 2010. Three (3) duplex, two (2) four-plex and eight (8) apartment building permits have been issued in 2011 compared to seven (7) single family permits in 2010 for the same time period. The number of business permits issued in 2011 stands at seven (7) compared to three (3) in 2010.

Eudora has issued a total of 100 building permits to date in 2011 compared to 57 for the same time frame in 2010. Included in that number are two (2) new single family permits, 38 residential remodeling permits and 36 permits for residential additions. There have been 15 commercial/industrial remodeling and addition building permits issued.

APPRECIATION FOR STAFFS WORK

The appraiser's staff strives to provide assistance as quickly and accurately as possible. And they do it with a smile! Sometimes it seems that nobody wants to see or hear from us. It's not often that we hear words of appreciation. But there are some who value our service and the way we do it. That service has been recognized several times over the past months by the people we serve. Occasionally a comment or note expressing gratitude for our help and even our jobs comes our way. Compliments have been expressed for the courteous manner in which the staff conducts the business appraisal. GREAT JOB!





Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

Volume 15, Issue 11

August 1, 2011

JULY SALES REPORT

During July a total of 159 sales questionnaires involving 173 parcels were recorded by the appraiser's sales staff. That compares to 131 sales questionnaires in July of 2010 involving 162 parcels. For the year, the office has worked 881 questionnaires involving 937 parcels compared to 1,126 questionnaires and 1,199 parcels for the same time period in 2010. At the end of July the appraiser's staff had reviewed 320 property sales.

The average sale price for the residential sales thus far in 2011 is \$206,977 compared to \$183,126 in 2010, \$186,670 in 2009. This represents an increase of 13.0 percent. The average sale price in 2008 was \$193,900, 2007 was \$186,900, \$184,600 in 2006, \$176,900 in 2005, \$165,700 in 2004, \$165,600 in 2003, \$148,800 in 2002, \$139,160 in 2001, \$132,500 in 2000, \$125,903 in 1999 and \$116,963 in 1998.

The current average sales ratio for residential property in 2011 is 101.9 percent compared to 98.7 percent in 2010 101 percent in 2009, 102 percent in 2008, 97 percent in 2007, 2006, 2005, 2004, 2003 and 2002, 96 percent in 2001, 94 percent in 2000 and 95 percent in 1999. The sales ratio in 1998 was 96 percent and 97 percent in 1997.

The average selling price on 43 new home sales worked in 2011 is \$288,928 compared to \$278,246 in 2009, \$360,700 in 2008, \$313,100 in 2007, \$228,500 in 2006, \$222,400 in 2005, \$233,275 in 2004, \$190,800 in 2003, \$197,100 in 2002, \$188,527 in 2001, \$176,975 in 2000 and \$154,288 in 1999.

On the commercial side a total of 30 sales have been recorded. The average sales ratio for the commercial sales thru the end of July is 89.8 percent compared to 79.8 percent in 2010, 82 percent in 2009, 92 percent in 2008, 87 percent in 2007, 90 percent in 2006, 91 percent in 2005, 94 percent in 2004, 96 percent in 2003 and 2002, 89 percent in 2001, 97 percent in 2000 and 91 percent in both 1999 and 1998.



FORECLOSURE SALES

The Sheriff's Office report continues to indicate a decline in the foreclosure activity. Sixteen sales were scheduled in July but eight (8) of them were canceled prior to the sale date. This is a decline of nearly 78% over a year ago when there were 36 sales held. For the year there have been 100 properties sold in 2011 compared to 151 for the same time period in 2010. The appraiser's office does not consider foreclosure sales as comparable sales for the sales approach valuation method. We do, however, take the sale into consideration for that individual property taken and sold out of foreclosure, particularly when there is physical damage to the structure.

2011 MID-YEAR RATIO STUDY

The Douglas County Appraiser's Office recently received the 2011 mid-year ratio study report from the Division of Property Valuation, Department of Revenue in Topeka. The final 2011 ratio study will be issued by the state in the spring of 2012.

The sales ratio study is an analysis of the relationship between appraised value (market value) established by the appraiser's office on January 1 of each year and the property's actual selling price. How close the county comes to the market value is measured by the statistical term called the median ratio. For residential property in Douglas County the 2011 mid-year median ratio was 103.2 compared to 100.0 in 2010, 100.1 in 2009, 100 in 2008, 100 in 2007, 99.4 in 2006, 97.5 in 2005, 99.1 in 2004, 99.2 in 2003, 99.1 in 2002, 98.7 in 2001 and 98.8 in 2000. The total number of valid residential sales used in the study was 157.

Another statistical term used in the ratio study is the coefficient of dispersion (COD). The COD measures the amount of variation or equity in the county's valuation. The smaller the COD means there is less variation about the median which means there is more uniformity and equity in the county appraised values. The COD for residential property in the 2011 mid-year ratio study for Douglas County was 6.5 compared to 5.5 in 2010, 3.8 in 2009, 2.5 in 2008, 4.8 in 2007, 4.0 in 2006, 4.5 in 2005, 3.2 in both 2004 and 2003 and 2.6 in 2002.

To be in statistical compliance for the state, the county's median ratio for both residential and commercial property must fall between 90 and 110. The COD for both types of properties must be below 20.

On the commercial side, the outlook is better than previously thought. The 2011 mid-year median ratio was 99.6 compared to 83.1 in 2010, 83.7 in 2009, 98.2 in 2008, 93.5 in 2007, 96.7 in 2006, 93.6 in 2005, 97.7 in 2004, 98.6 in 2003 and 94.7 in 2002. The commercial COD in 2011 was 16.3 compared to 7.8 in 2010, 12.4 in 2009, 9.9 in 2008, 10.9 in 2007, 20.1 in 2006, 11.3 in 2005, 10.2 in 2004 and 2.1 in 2003. The COD in 2002 was 6.8. A total of 13 commercial sales were used in the 2011 mid-year ratio study.

RESIDENTIAL TIME TREND STUDY

The 2011 residential time trend study is being conducted by the appraiser's office. The study is done by comparing the sale prices of a residential property that has sold twice since the year 2002. For example, if a property sold in March of 2004 for \$230,000 and again in March of 2008 for \$254,000, the time trend would be calculated as follows:

$$\$254,000 / \$230,000 = 1.1043 \text{ or an increase of } 10.43\%$$

$$\text{Time between the two sale dates} = 48 \text{ months.}$$

$$\text{Monthly time trend} = .1043 / 48 \text{ or } .0022$$

$$\text{Annual time trend} = .0022 \times 12 \text{ or } 2.6\%$$

The information from this study will be used in the 2012 valuation process. For 2012, time trends will be developed for each residential neighborhood and will be used to adjust sales in the residential modeling process if applicable.

DEPRECIATION STUDY UNDERWAY

Also underway is the annual depreciation study for residential property. Depreciation is a loss in value to the property over time. The study compares the value of the improvement indicated by the sale of the property to the cost of constructing a similar improvement today (often called the replacement cost).

For example, if a property built in 1968 sells, the cost of the improvement is determined by taking the sale price and subtracting land value plus any other accessory building value such as a detached garage and then comparing it to the replacement cost new of the structure. Following is an example:

$$1968 \text{ house: } \$259,900 \text{ (sale price)} - \$47,500 \text{ (land value)} - \$750 \text{ (other building value)} = \$212,100 \text{ (improvement value from sale)}$$

$$\$212,100 / \$262,900 \text{ (replacement cost new)} = 81\% \text{ percent good or } 19\% \text{ percent depreciated } (1 - .81).$$

The study uses residential sales that occurred in 2008, 2009, 2010 and 2011. The study should be complete by the end of August. The new cost tables are due to arrive soon from Marshal Swift Valuation Services via the Property Valuation

Division of the Kansas Department of Revenue. At the current time we are unsure if the depreciation tables will change for 2012.

AG USE VERIFICATION

Valuing property that is used to produce an agricultural product obviously requires that the appraiser know what product is being produced from the property. We also need to know how many acres are in production. Land that is used for recreational purposes, suburban residential acreage, rural home sites, farm home sites and yard plots where the primary function is residential or recreational do not qualify as agricultural use even though these properties may produce or maintain some of those plants or animals listed in K.S.A. 79-1476.

To assist the appraiser with the verification of agricultural use land, approximately 2,280 agricultural use letters were mailed to property owners this year. The letters were mailed to property owners in the eastern half of the county. Included in the letter is an aerial photo of the parcel with the uses delineated on it. On the reverse side of the photo is a brief survey which will assist us in determining the valuation. To date approximately 1,400 or 61.0 percent of those mailers have been returned to the office. That compares to a return rate of approximately 6.0 percent in 2010, 8.1 percent in 2009, 7.7 percent in 2008, 6.8 percent in 2007 and 7.6 percent in 2006. The staff will verify any changes or questions prior to the 2012 valuation. This year we asked that the owners respond to us if the use was still agricultural and to provide some information concerning the agricultural operation. The office assumes that if the mailers are not returned there is no longer any agricultural use occurring on that parcel.

LOCAL BUILDING PERMITS ISSUED

Homeowners continue to repair, update and add on to their homes as evidenced by the building permits issued. The number of remodeling permits continues to grow in both of the reporting cities.

Through the end of June 2011 a total of 1,044 building permits had been issued in the City of Lawrence compared to 1,031 for the same time period in 2010. Those numbers included 55 single family permits in the City of Lawrence compared to 67 in 2010. There were 165 remodeling permits issued in Lawrence along with four (4) duplex, two (2) four-plex, eight (8) apartment permits and seven (7) commercial permits.

After several months of encouraging activity in single family homes, June brought a slow down. The number of single family permits issued dropped from 15 in May to only 7 in June.

In the City of Eudora a total of 100 building permits have been issued through the end of June compared to 69 in 2010. The number of new single family permits issued through June was two (2) compared to three (3) in 2010.



Douglas County Kansas

Appraisal Newsletter

Steven Miles, RMA
County Appraiser

Volume 15, Issue 12

September 1, 2011

2011 SALES DATA REPORTED

During August of 2011 the staff in the appraiser's office who work with real estate sales were busy. For the month, staff handled 127 sales validation questionnaires involving 133 parcels. During August of 2010 a total of 109 sales validation questionnaires involving 115 parcels were worked by the appraiser's office.

For the year, the number of sales is running slightly behind the number for the same time last year. So far this year in 2011 the staff has handled 1,143 sales validation questionnaires compared to 1,259 sales in 2010.

At the end of August the appraiser's staff had reviewed 305 valid existing home residential sales. The average sale price for the residential sales is \$173,040 compared to \$194,860 in 2010, \$189,800 in 2009, \$191,100 in 2008, \$186,900 in 2007, \$184,600 in 2006, \$176,500 in 2005, \$165,700 in 2004, \$165,200 in 2003, \$148,800 in 2002, \$137,600 in 2001, \$132,500 in 2000, \$125,900 in 1999 and \$116,963 in 1998. The current average sales ratio for residential property in 2011 is 101.3 percent compared to a sales ratio of 101 in 2010 and 2009, 102 percent in 2008, 2007, 2006, 2005, 2004, 2003 and 2002 of 97 percent, 96 percent in 2001, 94 percent in 2000 and 95 percent in 1999.

On the commercial side a total of 27 sales have been recorded. The average sales ratio for the commercial sales in 2011 is 96 percent compared to 94 in 2010, 93 percent in 2009, 92 percent in 2008, 87 percent in 2007, 90 in 2006, 91 percent in 2005, 94 percent in 2004, 96 percent in 2003 and 2002, 89 percent in 2001, 97 percent in 2000 and 91 percent in 1999.

The number of foreclosure sales continues to decline. There were 13 sales in August, down from the 16 in July. A greater difference appears in the year over year category with 153 foreclosure sales occurring in 2011 compared to 246 for the same period in 2010.

The Appraiser's office has noted that some properties that were sold or repossessed in the past year or so have recently been sold for considerably more than the previous sale price. While some of the differential could be due to repairs or renovations

since the purchase, several appear to be the result of more patient marketing. This reinforces the assertion that foreclosure sales or otherwise distressed sales are not indicative of fair market value.

BUILDING PERMIT DATA REPORTED

Through July of 2011 the City of Lawrence has issued a total of 58 building permits for single family residential property which compared to 80 in 2010, 58 in 2009, 53 in 2008 and 101 for the same time in 2007. Only 3 single family permits were issued during July. A total of seven (7) permits for duplex or 4-plex units have been issued along with eight (8) permits for apartments totaling 55 living units.

Eudora's building activity has also been slow. One (1) single family permit was issued in July bringing the total for the year to three (3). They also issued one (1) new commercial permit in July.

AG USE SURVEY

The agricultural use survey was a tremendous success. In July, the office mailed out survey letters to property owners who had agricultural classifications. Our goal was to verify and/or identify any changes in the use of the parcel. The classification of Ag is intended for land used to produce or sustain an agricultural product such as crops hay or livestock. Typically these products would be sold to generate income from the land. Simply because the land may support some of the same plants or animals that are found in farm situations does not automatically qualify the land for ag use. For example a small acreage grazing a calf or two for purpose of butchering for the owners personal use would not qualify as ag use. Nor does land supporting native grasses that are not utilized for hay or grazing constitute ag use.

In the past the office had sent these types of surveys out with instruction that if no changes were required, no action was required from the owner. We found the response rate was very limited. This year we changed it to state that if the use was still ag related that they return the survey. In addition to the use, the survey requested some information such as whether or not the land was owner operated or leased, if leased by whom, was

the lease verbal or written and if payment was fixed or production related. This information may be helpful in future analysis as we continue to gather it.

The return rate has been almost overwhelming. Approximately 2,280 parcels were identified as having ag use and received a survey and map delineating the various use types: corn, hay or pasture. Because of the great response, the office is still reviewing and recording the results. It is estimated that nearly all surveys were completed and returned. Of those recorded so far, 14 percent have changes indicated while 86% remain virtually the same. Some parcels will be physically reviewed as quality control gets underway.

COUNTY IN COMPLIANCE FOR 2011

The appraiser's office was notified in August by the Division of Property Valuation in Topeka that the office has been determined to be in substantial compliance for the year 2011. PVD conducted the statistical and procedural compliance review during the first six (6) months of 2011.

The compliance review consists of two parts. The first part is the state sales ratio study that is conducted annually by PVD. As noted in a previous newsletter the county was in compliance in this area for both residential and commercial property. The county's residential COD was 6.2. The county's commercial COD was 9.1. To be in compliance both the residential and commercial COD must be under 20. The median ratio for residential sales was 101.2 percent and 84.2 percent for commercial sales.

The second part is the procedural review which is designed to see if the county's appraisal procedures follow state guidelines and PVD directives. Items that are reviewed include:

- The county's maintenance plan.
- The county's sales file.
- Land valuation procedures.
- Cost index analysis.
- Depreciation documentation.
- Income approach data.
- Comparable sales approach procedures.
- Maintenance and quality control numbers.
- Final review process.
- Agricultural use valuation.
- Mapping procedures.
- Statutory compliance.
- Hearing procedures.
- Personal property.
- Certification of values to the county clerk.
- Preservation of county records.

PERSONAL PROPERTY PENALTIES

The penalty value, to date for 2011, for late filing of personal property renditions is \$1,971,540 compared to \$1,583,347 in 2010, \$1,716,605 in 2009, \$1,633,290 in 2008, \$2,067,055 in 2007, \$1,897,520 in 2006, \$1,848,155 in 2005, \$1,484,105 in

2004, \$1,648,695 in 2003, \$1,560,280 in 2002, \$2,401,370 for the same time in 2001 and \$1,589,215 in 2000. A penalty percentage is assessed against any personal property renditions that are filed after the statutory deadlines. The penalties are prescribed in state statutes.

To date, the total personal property assessed value, excluding penalties, for 2011 is \$37,429,218 compared to \$40,844,871 in 2010, \$46,153,285 in 2009, \$52,346,145 in 2008, \$63,277,805 in 2007, \$70,509,209 in 2006, \$71,883,643 in 2005, \$66,184,876 in 2004, \$71,305,550 in 2003, \$72,288,724 in 2002, \$75,317,115 in 2001, and \$74,508,179 in 2000.

The personal property staff to date has mailed 2,950 failure to file notices. Of that number a total of 700 have been returned to the office or 24 percent. Douglas County has approximately 8,564 personal property accounts, of that number 5,585 are regular individual renditions and 2,979 are commercial accounts.

DATA SURVEYS TO BE MAILED

The appraiser's office will be sending out surveys or questionnaires to gather income and expense data. Commercial property owners are requested to provide general and specific information regarding lease rates and terms and expenses attributable to the real estate. The appraiser's office will utilize the information to develop the income approach, one of the three methods of determining value.

In addition to the income and expense data requests, we will also be requesting information from lenders to assist in developing the capitalization rates. Cap rates are important in the income approach to convert the expected income and rate of return on an investment into an estimate of the present value.

SMALL CLAIMS HEARING RESULTS

As of September 1, 2011, a total of 102 parcels from the 2011 informal hearings have filed on to the small claims level in the appeal process. Of that number 96 have had hearings. 60 cases received no change in value, 33 received a valuation change and three (3) were dismissed by the property owner or COTA. Six (6) cases are still awaiting hearing dates.

Also, on file with the state are sixteen (16) personal property appeals, 13 exemption applications and eight (8) tax grievance cases. To date eight (8) of the exemption cases have been decided and will receive a tax exemption. One was denied. In the area of tax grievances four (4) cases received a reduction in value. One was denied.



Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

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VALUATION PROCESS BEGINS

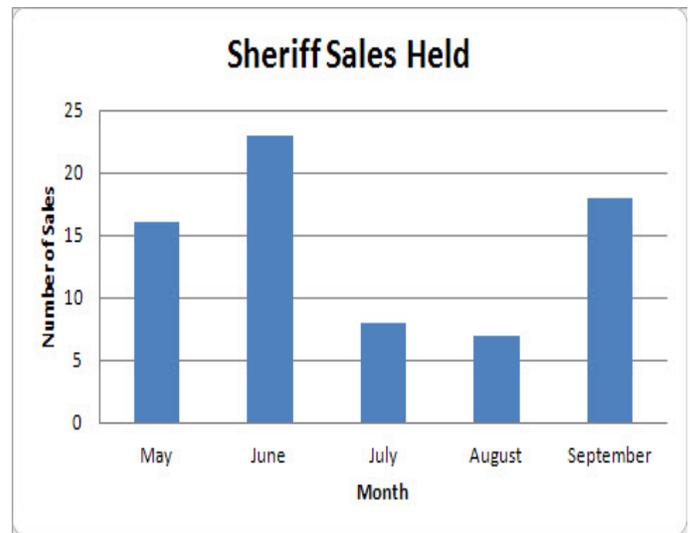
The appraiser's office will begin the process of setting values in October. The first step is the analysis, development and calibration of the tables and comparable sale models used to assist in the valuation of all real property. The actual final review process will begin in November. At this point existing residential values in 2012 seem to be trending downward. Preliminary sales ratio studies on valid residential sales are at 101.8. This means that some properties have been selling lower in 2011 than the 2011 valuation set January 1, 2011.

At this time it is difficult to estimate what will happen with the commercial values in 2012. Based on the county's mid-year commercial sales ratio from the Property Valuation Division for 2011 at 99.6 percent and current market and lending conditions, it would appear that these values will continue relatively flat in 2012.

SHERIFF'S SALES

Through the end of September the number of foreclosure and Sheriff's sales conducted by the Sheriff's Office in 2011 stands at 125 compared to 194 for the same time frame in 2010. Seventy percent (70%) of the scheduled sales have been held thus far in 2011 compared to only 66 percent being conducted in 2010. In many cases the tax and foreclosure sales are canceled when a satisfactory resolution is found prior to the sale.

During September, 24 sales were scheduled compared to 38 sales during September 2010. Eighteen (18) of the 24 sales were conducted. This compares to 32 of the 38 sales scheduled in September 2010. The number of Sheriff sales was sharply declined during the late summer months and has recently jumped up. A Sheriff's Sale is not complete until the issuance of the Sheriff's Deed. This is not issued until the 3-month redemption period has passed and the property has not been redeemed by the previous owner. Foreclosures account for 11.8% of all residential sales in the county. The number of sales conducted per month since May of 2011 is illustrated in the following chart.



Sheriff's Sales are reviewed in the same manner as any other sale to determine if it can be considered for use in the comparison models. Sales must represent a true arms length transaction to be considered valid. In most cases, this type of sale is considered non-typical and not used in our model development or comparable sales. Many times there are issues with the condition or financing that have had an effect on the final sale price and are not indicative of a typical sale.

BUILDING PERMIT ACTIVITY

Through the end of August a total of 1,458 building permits had been issued by the City of Lawrence compared to 1,521 in 2010, 1,320 in 2009, 1,491 in 2008, 1,591 in 2007, 1,882 in 2006, and 1,854 for the same time frame in 2005. Of that number 72 were for single family homes (89 in 2010, 43 in 2009, 63 in 2008, 118 in 2007, and 176 in 2006), four (4) for duplex properties and eight (8) apartment buildings involving 55 units. A total of nine (9) other building permits for commercial properties had been issued. In Eudora a total of 160 building permits have been issued compared to 96 in 2010, 70 in 2009, 90 in 2008 and 112 in 2007. That number

includes only three (3) new single family permits compared to four (4) in 2009. All the other permits were for building additions and remodeling except for two (2) new manufactured home building permits and one (1) commercial permit.

In Baldwin City, the 14 permits issued between January 1 and September 1 of this year were for upgrades, repairs and replacements to existing improvements or new accessory buildings. In 2010, 64 permits were issued.

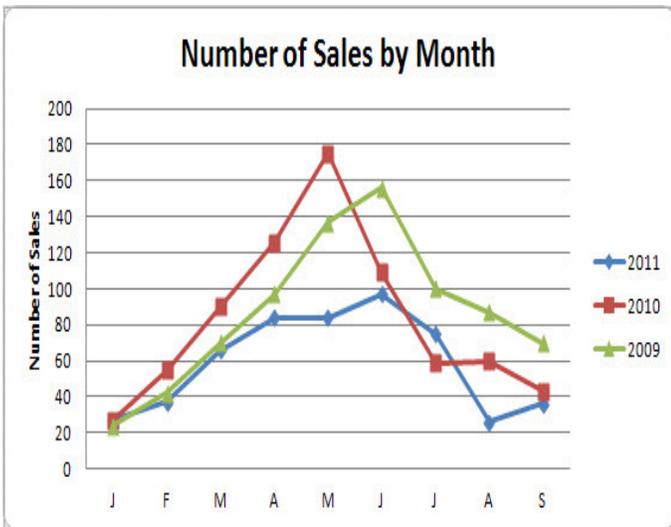
NUMBER OF SALES DOWN

Residential sales in Douglas County have been slower than in previous years. The number of residential sales dropped in August and September as it seems to do each year. We head into the 4th quarter at nearly the same level as in 2010. In the chart below, the spike in sales during April and May 2010 coincides with the end of the Home Buyers Stimulus program. The chart also illustrates the cyclical nature of the real estate market. Because of this cyclical pattern, the Appraiser’s Office looks at sales over the past 2 or 3 years when developing the valuation models. Periods when demand is higher or lower can influence the sale prices at those times.

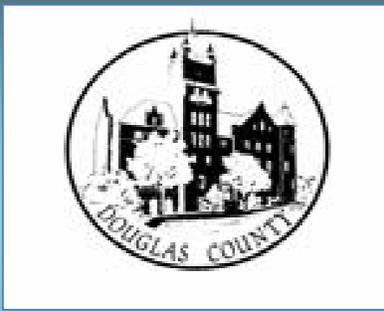
Sale Price	2009	2010	2011
Less than \$100,000	46	32	24
\$100,001 - \$125,000	91	83	37
\$125,001 - \$150,000	202	153	92
\$150,001 - \$175,000	135	133	100
\$175,001 - \$200,000	87	65	63
\$200,001 - \$225,000	69	52	43
\$225,001 - \$250,000	45	51	41
\$250,001 - \$275,000	24	39	28
\$275,001 - \$300,000	20	26	19
\$300,001 - \$350,000	18	36	33
\$400,001 - \$400,000	17	20	12
\$400,001 - \$450,000	10	8	10
\$450,001 - \$500,000	3	7	6
Greater than \$500,000	16	14	15
Total Sales	783	719	523

AGRICULTURE USE SURVEY

In July, the Appraiser’s Office mailed out surveys to the owners of property with an agricultural use classification. The purpose of the survey is to verify and confirm the continued or changed uses of that property. Changes range from discontinuation of the agricultural use to changes in the farming practice or use of the land such as going from cropland to grassland. I am happy to say that the return rate was much better than we had experienced in the past. The office is still processing the returned surveys in preparation for the upcoming valuation process. Each response is being reviewed for accuracy of the delineation and use. Those that cannot be confirmed from the aerial photography available to us will be physically and visually inspected by staff members. Not all changes indicated by the landowner will be accepted upon review as there is sometimes a misunderstanding of the type of usage. Because of the higher resolution photography available today, some changes are being made by staff to the delineation of the use type. The increased accuracy of delineation and changes made to the use may alter the final valuation of the property. In some instances, the appraiser may be in contact with a landowner to clarify the responses given on the survey.



The chart below indicates that, with the exception of the homes selling in the range of \$100,000 to \$150,000, the number of sales at each level is relatively stable from 2009 to 2011. As it has in the past, the largest number of sales continues to occur between \$125,000 and \$200,000. The highest percentage of sales occur in the \$150,000 to \$175,000 range. Following is a chart that shows the distribution of sales at different price levels for 2010 and 2011:



Appraisal Newsletter

Douglas County Kansas

Steven Miles, RMA
County Appraiser

Volume 16, Issue 2

November 1, 2011

2012 FINAL REVIEW PROCESS BEGINS

The final review process to establish values as of January 1, 2012 begins later this month. Five (5) staff appraisers will be working on the residential and agricultural properties while one (1) staff appraiser will work on commercial properties. The final review process is scheduled to be complete by January 31, 2012. The purpose of final review is to establish the fair market value for each parcel of real estate.

The county, as of October 31, 2011, has 39,785 parcels that will be reviewed and valued for 2012. The office is in the final stages of preparation for this task. The mix of parcels includes:

Type	Urban	Rural	Total
Residential	26,619	2,914	29,533
Farm with home	270	1,399	1,669
Agricultural	877	2,273	3,150
Vacant Lots	2,118	625	2,743
Commercial/industrial	1,389	111	1,500
Exempt	845	288	1,133
Not-for-profit	12	0	12
Other	3	1	4
Utility	22	19	41
Total	32,155	7,630	39,785

Change of value notices will be mailed to all Douglas County property owners by March 1, 2012. Property owners will have until March 30, 2012 to appeal the 2012 valuation.

2011 SALES DATA REPORTED

During October the appraiser's office worked 84 Sales Validation Questionnaires (SVQs) involving 86 parcels compared to 87 SVQs in October 2010. To date in 2011 the office has worked 1,294 SVQs involving 1,391 parcels compared to 1,379 SVQs and 1,488 parcels for the same time period in 2010.

The average sales price for existing housing is \$185,200, down from \$190,700 in 2010. This represents a decrease of

approximately 2.9% over the previous year. The current average residential sales ratio is 102.46 percent compared to 102.5 percent in 2010.

Surprisingly, there has been more activity in commercial sales than there has been in past years. There have been 38 potentially valid commercial sales to date compared to 18 commercial sales at this time in 2010. The average commercial sales ratio is approximately 92.8 percent. This compares to commercial sales ratios of 93 in 2010, 98 in 2009, 93 in 2008, 89 percent for 2007, 90 in 2006 and 87 in 2005.

BUILDING PERMIT ACTIVITY

Through the end of September a total of 1,676 building permits had been issued by the City of Lawrence compared to 1,715 for 2010, 1,487 in 2009, and 1,668 for the same time frame in 2008. Of that number 76 were for new single family homes (119 in 2010, 77 in 2009, and 85 in 2008), four (4) for duplex properties and 17 apartment buildings involving 355 units. A total of 12 other building permits for commercial properties had been issued.

In Eudora a total of 181 building permits have been issued YTD through October. That number includes three (3) new single family permits. All the other permits were for building additions and remodeling except for two (2) new manufactured home building permits and one (1) commercial permit.

\$20,000 RESIDENTIAL EXEMPTION

The 2011 tax bills are scheduled to be mailed to Douglas County property owners in November. Once again the residential property owners will receive a tax exemption from the state-wide school tax on the first \$20,000 of market value for their residence.

The total tax dollar amount of the exemption in Douglas County for the tax year 2011 has been calculated to be \$1,461,509 as of the writing of this newsletter. In 2010, the total tax amount exempted on real estate was \$1,456,684. This compares to \$1,413,315 in 2009, \$1,405,242 in 2008,

\$1,391,992 in 2007, \$1,362,356 in 2006, \$1,327,174 in 2005, \$1,298,809 in 2004, \$1,263,035 in 2003, \$1,240,265 in 2002, \$1,206,740 in 2001, \$1,178,674.70 in 2000 and \$1,143,426.70 in 1999. The prior year amounts shown above did not include personal property. The tax amount to be exempted for personal property manufactured homes in 2011 is \$37,844 compared to \$38,334 in 2010, \$39,865 in 2009, and \$41,227 in 2008.

The maximum tax reduction for any one property in 2011 will be \$46.00. The tax savings is calculated as follows:

$$\begin{aligned}
 & \$20,000 \text{ (market value)} \\
 & \times .115 \text{ (assessment rate)} \\
 & = \$2,300 \text{ (assessed value)} \\
 & \times .020 \text{ (statewide school mill levy)} \\
 & = \$46.00 \text{ (tax reduction)}
 \end{aligned}$$

2011 MILL LEVIES ESTABLISHED

Following is a list of some of the mill levies for 2011. The individual mill levies are used to establish the individual tax bills. Mill levies changed between -2.301 and 3.261 mills per \$1,000 across the county. The formula to calculate the tax bill is: *mill levy X (assessed value/1,000) = tax bill.*

	2011	2010	2009
Lawrence:			
Tax unit 041:	125.323	123.591	118.890
Tax unit 042:	126.110	124.383	119.696
Tax unit 043:	125.323	123.591	118.890
Tax unit 044:	119.287	117.313	114.770
Tax unit 048:	126.756	125.026	120.377
Tax unit 051:	125.835	124.103	119.889
Tax unit 054:	127.323	125.617	120.840
Eudora:			
Tax unit 020:	140.678	141.312	133.025
Baldwin:			
Tax unit 001:	145.712	146.205	136.899
Lecompton:			
Tax unit 080:	120.998	118.113	115.366

Mill levies for tax units not shown are available from the county upon request or soon on the Douglas County website.

2011 EFFECTIVE TAX RATES SET

The effective tax rates for 2011 have been established by the appraiser's office. The effective tax rate is one of the components of the capitalization rate which is used in the income approach to value. The county uses the income approach to value many commercial properties and some residential income producing properties such as apartments.

The effective tax rate expresses the relationship between the property value (market value) and the tax bill. For example, if

the effective tax rate is three (3) percent, the taxes on an individual property would be approximately three (3) percent of the property's market value. One way to calculate the effective tax rate is to multiply the tax rate (the mill levy) times the level of assessment (classification rate). For example, the effective tax rate for commercial property is calculated by multiplying the classification assessment rate (25 percent) by the mill levy for each taxing district.

$$.125323 \text{ (Lawrence mill levy/}\$1) \times .25 \text{ (classification rate)}$$

The assessment rate for all residential property is 11.5 percent of the appraised value and commercial property is assessed at 25 percent of the appraised value.

The 2011 effective tax rates to be used in the 2012 valuation process have increased in most areas of the county. Following is a list of the effective tax rates that will be used in the 2012 valuation process:

Tax Unit	Commercial		Residential	
	2011	2010	2011	2010
001 (Baldwin)	3.64	3.66	1.68	1.68
020 (Eudora)	3.52	3.53	1.62	1.63
041 (Lawrence)	3.13	3.09	1.44	1.42
048 (North Lawrence)	3.17	3.13	1.46	1.44
051 (Lawrence)	3.15	3.10	1.45	1.43
054 (Lawrence)	3.18	3.14	1.46	1.44
080 (Lecompton)	3.02	2.95	1.39	1.36

2011 PENALTY TAX DOLLARS

Each year a penalty is assessed to personal property owners who fail to file their property renditions by the deadlines established by the Kansas statutes. The amount of the penalty is specified in the statutes based on how late the rendition is filed with the county appraiser's office. The total personal property value for 2011 is currently \$39,604,331 with penalties included. Without penalties the assessed value is \$37,595,996. In 2010 the assessed value with and without penalties was \$42,424,364 and \$40,842,322 respectively. This represents a decrease of almost 7.95% in personal property assessed value without penalties.

2011 VALUATION CHANGES

The total valuation of real estate established in March is usually different by the time the tax bills are calculated and mailed in November. Due to results of valuation appeals and other value changes, the value typically will decline between 0.5% and 1.0%. This year is no different. The valuation on February 29, 2011 was \$1,029,019,175. The total real estate valuation currently stands at \$1,021,986,183. That's a drop of \$7,032,992 or 0.68% decline.